US ERA ARCHIVE DOCUMENT

September 8, 1999

Mr. Larry Norton, Plant Manager International Paper Androscoggin Mill Jay, Maine 04239

Re: EPA Recommendation Regarding International Paper XL Proposal for Effluent Improvements

Dear Mr. Norton:

I am pleased to inform you that EPA has formally selected your XL proposal for effluent improvements as a potential Project XL pilot. We congratulate you on your selection and thank you and the rest of the Androscoggin Mill staff for your hard work on getting the proposal approved.

We invite you now to work with EPA staff and appropriate stakeholders on the next stage of your XL project—developing a draft Final Project Agreement ("FPA"). While this letter does not represent final EPA approval of the project, Agency staff both at headquarters and at EPA - New England believe your proposal has significant merit and look forward to working with you to develop your project further.

Your proposal requested relief from the BMP requirements in the water portion of the Pulp and Paper Cluster Rules in exchange for new COD and color limits in your NPDES permit and evaluation and implementation of mill-specific effluent improvement projects. Our interest in your proposal stems from our conclusion that this tradeoff has the potential to result in superior environmental performance at the mill and may also inform the Agency in its efforts to promote environmental improvements at bleached papergrade kraft mills in general.

As part of realizing the project's potential, we anticipate discussing with you during FPA negotiations the following items:

- **1. Baseline Performance** The project must have a level of baseline performance that would ensure that environmental performance would not deteriorate. To this end, EPA would expect IP to accept COD and color limits as you have proposed for your re-issued NPDES permit. We anticipate that you will be able to meet these limits and that they would restrict increases in COD and color discharges.
- 2. Superior Environmental Performance All XL projects must result in better environmental performance than would be achieved absent Project XL. Similarly, one of the conceptual components of the BMP requirements is of "continual improvement." The sampling requirements, action plans and spill control mechanisms under the BMP requirements direct a facility to understand the sources of black liquor, quantify their contribution, identify the frequency and location of spills or other discharges, and take actions to reduce them. In the long term, BMP implementation is an ongoing process and should result in continued reductions over time. The Agency plans to discuss with you during FPA negotiations how to meet our goals for continual improvement as part of the XL project. This means that in addition to accepting a permit limit to ensure sustained current performance, you will be asked to explore with us how best to set targets for effluent reductions and reflect future environmental improvements in your facility's performance limits.
- **3. Transferability** EPA requires that XL projects test an innovation that applies not just to the participating company itself, but to the regulated community at large. Consequently, we expect that IP will share information with EPA, stakeholders, and other companies on its successes and failures in trying to reduce pollutants as part of the XL project. This information should help EPA understand the assessment used to determine sources of and reductions in pollutant discharges as well as the technologies and operational approaches used to achieve these reductions so that this information can benefit other mills in the pulp and paper industry. This information can also inform our subsequent efforts at regulatory and environmental improvements in this industrial subcategory. IP is encouraged to share descriptions of the engineering assessment, successful technologies and operational approaches with other companies through means such as trade journal articles and presentations.
- **4. Monitoring, Reporting and Evaluation**: In order to ensure the transparency and independent verification of the project's results, the quantity and quality of data reported must be sufficient to assure the public and EPA that IP is meeting the project's goals and commitments. EPA is interested in discussing with you as part of the FPA development phase the possibility that IP institute influent monitoring of black liquor to the wastewater treatment plant as a means of tracking environmental improvements.
- **5. Implementation Issues re: Permit and BMPs:** There are several possible issues surrounding project implementation. If the XL project is successfully negotiated, the COD and color limits will be incorporated in IP's NPDES permit. A site-specific rule will also be required to allow IP to replace BMP requirements with such limits. It appears likely, however, that due to the expected timeframes for FPA negotiations, EPA will issue IP's NPDES permit before the final project agreement is negotiated. This NPDES permit will include BMP requirements that will be applicable (and IP must be in compliance with) until the FPA is successfully negotiated and a site specific

rule and revised permit replace the BMP requirements.

6. **Soft Landing Provision:** In the event that continued good faith FPA negotiations fail to reach a successful agreement, the BMP requirements have become effective and applicable to the facility, and the project is closed out, a non-penalty Administrative Order may need to be issued to provide a negotiated schedule for IP to return to compliance with the BMP requirements.

Again, I thank you for your participation in EPA's Project XL and look forward to working with your team to develop the FPA and implement this project. EPA has assembled an Agency-wide team to work with you and your stakeholders in the next phase of the project. This team will be led by Chris Rascher in Region 1-New England (617-918-1834) and Nina Bonnelycke at EPA Headquarters (202-260-3344).

Should the FPA be signed, the International Paper Effluent Improvement XL Project will become an official XL pilot. I know from speaking with my staff that you are highly committed to conducting innovative projects that improve our system of environmental protection. If I can be of any assistance in expediting the development and review of your Final Project Agreement, please do not hesitate to call.

Sincerely,

John P. DeVillars Regional Administrator

cc: Jay Benforado, EPA
Lisa Lund, EPA
Martha Kirkpatrick, Commissioner, ME DEP
Ron Dyer, ME DEP
Greg Wood, ME DEP
Mark Dawson, Town of Jay
Chris Rascher, EPA

bcc: EPA XL Project Team Chris Knopes, EPA